

## **Basic Financial Statements**

The basic financial statements for the City of Asheville consist of both entity-wide and fund financial statements.

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**CITY OF ASHEVILLE**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2004**

**Exhibit A**

	Primary Government			Component Unit
	Governmental	Business-type		City of Asheville
	Activities	Activities	Total	ABC Board
<b>ASSETS</b>				
Cash and investments	\$ 25,061,738	\$ 12,957,986	\$ 38,019,724	\$ 1,229,019
Receivables (net of allowance for uncollectibles)	9,578,446	6,315,467	15,893,913	51,314
Due from Component Unit	130,000	-	130,000	-
Internal balances	1,349,782	(1,349,782)	-	-
Inventories	654,729	61,016	715,745	1,577,295
Prepays	218,360	113,048	331,408	75,809
Restricted assets:				
Temporarily restricted:				
Cash and investments	7,280,311	11,579,763	18,860,074	-
Capital assets:				
Land	20,192,831	9,158,238	29,351,069	942,099
Buildings and improvements	39,096,666	77,972,923	117,069,589	1,804,345
Machinery and equipment	24,780,456	12,084,755	36,865,211	457,398
Infrastructure	216,143,023	87,114,575	303,257,598	-
Construction in progress	4,730,071	4,306,879	9,036,950	-
Accumulated depreciation	(104,605,113)	(58,134,042)	(162,739,155)	(1,419,094)
Unamortized debt issuance cost	-	1,150,904	1,150,904	-
Total assets	<u>244,611,300</u>	<u>163,331,730</u>	<u>407,943,030</u>	<u>4,718,185</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	3,862,839	3,807,430	7,670,269	551,979
Customer deposits	-	350,261	350,261	-
Accrued interest payable	168,491	1,071,323	1,239,814	-
Due to primary government	-	-	-	130,000
Unearned revenue	351,764	265,776	617,540	-
Noncurrent liabilities:				
Due within one year	7,661,027	3,654,340	11,315,367	-
Due in more than one year	27,953,877	54,114,798	82,068,675	-
Total liabilities	<u>39,997,998</u>	<u>63,263,928</u>	<u>103,261,926</u>	<u>681,979</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	173,149,100	75,086,520	248,235,620	1,784,748
Restricted for:				
Employee paid health benefits	5,745,559	-	5,745,559	-
Working capital	-	-	-	2,057,883
Perpetual care:				
Nonexpendable	5,000	-	5,000	-
Unrestricted	25,713,643	24,981,282	50,694,925	193,575
Total net assets	<u>\$ 204,613,302</u>	<u>\$ 100,067,802</u>	<u>\$ 304,681,104</u>	<u>\$ 4,036,206</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ASHEVILLE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2004**

**Exhibit B**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities				
General government	\$ 21,148,189	\$ 6,720,291	\$ 243,886	\$ -
Public safety	30,513,376	5,073,963	143,488	-
Highways and streets	5,650,832	-	2,077,499	-
Environmental protection	5,024,914	-	-	-
Economic development	3,533,572	-	4,306,023	202,562
Culture and recreation	5,119,628	212,869	15,657	260,174
Interest on long term debt	1,340,737	-	-	-
Total governmental activities	<u>72,331,248</u>	<u>12,007,123</u>	<u>6,786,553</u>	<u>462,736</u>
Business-type activities				
Water resources	20,623,941	22,794,535	-	2,076,882
Civic Center	2,668,573	1,301,953	-	-
Festivals	1,121,437	425,372	-	-
Parking Services	1,347,655	2,594,411	-	-
Mass Transit	3,775,388	689,046	1,883,705	-
Total business-type activities	<u>29,536,994</u>	<u>27,805,317</u>	<u>1,883,705</u>	<u>2,076,882</u>
Total primary government	<u>\$ 101,868,242</u>	<u>\$ 39,812,440</u>	<u>\$ 8,670,258</u>	<u>\$ 2,539,618</u>
Component unit:				
ABC Board	15,229,255	15,417,988	-	-
Total component unit	<u>\$ 15,229,255</u>	<u>\$ 15,417,988</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues:

Property taxes

Sales taxes

Other taxes

Grants and contributions not restricted to specific programs

Unrestricted investment earnings & miscellaneous

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Changes in net assets

Net assets - beginning (as restated)

Net assets - ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business Type Activities	Total	City of Asheville ABC Board
\$ (14,184,012)	\$ -	\$ (14,184,012)	\$ -
(25,295,925)	-	(25,295,925)	-
(3,573,333)	-	(3,573,333)	-
(5,024,914)	-	(5,024,914)	-
975,013	-	975,013	-
(4,630,928)	-	(4,630,928)	-
(1,340,737)	-	(1,340,737)	-
(53,074,836)	-	(53,074,836)	-
-	4,247,476	4,247,476	-
-	(1,366,620)	(1,366,620)	-
-	(696,065)	(696,065)	-
-	1,246,756	1,246,756	-
-	(1,202,637)	(1,202,637)	-
-	2,228,910	2,228,910	-
(53,074,836)	2,228,910	(50,845,926)	-
-	-	-	188,733
-	-	-	188,733
33,946,832	-	33,946,832	-
13,571,063	-	13,571,063	-
6,656,289	-	6,656,289	-
289,636	-	289,636	-
1,513,431	696,305	2,209,736	-
166,711	44,505	211,216	(22,737)
(1,883,441)	1,883,441	-	-
54,260,521	2,624,251	56,884,772	(22,737)
1,185,685	4,853,161	6,038,846	165,996
203,427,617	95,214,641	298,642,258	3,870,210
\$ 204,613,302	\$ 100,067,802	\$ 304,681,104	\$ 4,036,206

**CITY OF ASHEVILLE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2004**

**Exhibit C**

<b>ASSETS</b>	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and investments	\$ 22,828,476	\$ 2,233,262	\$ 25,061,738
Receivables (net of allowance for uncollectibles of \$783,840)	5,369,351	4,209,095	9,578,446
Due from other funds	1,371,977	-	1,371,977
Due from component unit	130,000	-	130,000
Inventories	654,729	-	654,729
Prepays	2,700	215,660	218,360
Cash -- restricted	5,745,559	1,534,752	7,280,311
Total assets	<u>\$ 36,102,792</u>	<u>\$ 8,192,769</u>	<u>\$ 44,295,561</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and other accrued liabilities	\$ 2,974,768	\$ 888,071	\$ 3,862,839
Due to other funds	-	22,195	22,195
Deferred revenue	646,346	4,116,107	4,762,453
Total liabilities	<u>3,621,114</u>	<u>5,026,373</u>	<u>8,647,487</u>
Fund balances:			
Reserved:			
For inventories	654,729	-	654,729
For prepaids	2,700	-	2,700
For encumbrances	1,660,297	471,865	2,132,162
For affordable housing loans	1,017,489	-	1,017,489
For employee paid health benefits	5,745,559	-	5,745,559
By state statute	5,567,776	95,956	5,663,732
For perpetual care	-	5,000	5,000
Unreserved, reported in:			
General fund			
Designated for subsequent year's budget	45,000	-	45,000
Designated for capital projects	3,665,115	-	3,665,115
Designated for law enforcement special separation allowance	2,739,109	-	2,739,109
Designated for affordable housing	876,173	-	876,173
Undesignated:			
General fund	10,507,731	-	10,507,731
Special revenue funds	-	1,563,301	1,563,301
Capital project funds	-	1,030,274	1,030,274
Total fund balances	<u>32,481,678</u>	<u>3,166,396</u>	<u>35,648,074</u>
Total liabilities and fund balances	<u>\$ 36,102,792</u>	<u>\$ 8,192,769</u>	

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	200,337,934
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	4,410,689
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	(35,614,904)
Accrued interest payable due that is not payable in the current period and therefore, is not reported in fund statements.	(168,491)

Net assets of governmental activities	<u>\$ 204,613,302</u>
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The notes to the financial statements are an integral part of this statement.

**CITY OF ASHEVILLE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES,**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**Exhibit D**

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Taxes:			
Ad valorem taxes	\$ 34,616,551	\$ -	\$ 34,616,551
Other taxes	15,097,210	-	15,097,210
Intergovernmental	9,707,050	3,629,241	13,336,291
Licenses and permits	5,073,963	-	5,073,963
Charges for services	6,933,160	-	6,933,160
Private donations	-	247,948	247,948
Investment earnings	180,513	-	180,513
Miscellaneous	414,589	640,391	1,054,980
Total revenues	<u>72,023,036</u>	<u>4,517,580</u>	<u>76,540,616</u>
<b>EXPENDITURES</b>			
Current:			
General government	8,636,928	-	8,636,928
Public safety	29,065,819	555,251	29,621,070
Public works	10,282,036	1,343,440	11,625,476
Human services	98,125	3,292,885	3,391,010
Planning	1,362,393	1,802	1,364,195
Engineering	1,673,238	-	1,673,238
Culture and recreation	5,620,813	1,618,840	7,239,653
Capital Outlay	-	142,562	142,562
Debt service:			
Principal	3,969,513	150,000	4,119,513
Interest	1,367,134	-	1,367,134
Total expenditures	<u>62,075,999</u>	<u>7,104,780</u>	<u>69,180,779</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,947,037</u>	<u>(2,587,200)</u>	<u>7,359,837</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	-	1,888,669	1,888,669
Transfer out	(3,772,110)	-	(3,772,110)
Proceeds from long-term obligations	741,577	1,450,000	2,191,577
Sale of capital assets	163,500	-	163,500
Total other financing sources and (uses)	<u>(2,867,033)</u>	<u>3,338,669</u>	<u>471,636</u>
Net change in fund balances	<u>7,080,004</u>	<u>751,469</u>	<u>7,831,473</u>
Fund balances - beginning (as restated)	25,401,674	2,414,927	27,816,601
Fund balances - ending	<u>\$ 32,481,678</u>	<u>\$ 3,166,396</u>	<u>\$ 35,648,074</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ASHEVILLE**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**Exhibit E**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances--total governmental funds (Exhibit D)	\$ 7,831,473
Depreciation expense is not a use of current financial resources and therefore, is not reported in the governmental fund statements.	(13,035,171)
Capital asset additions are a use of current financial resources and therefore, are not reported as expenditures in the governmental fund statements.	5,597,689
Contribution of capital assets	9,632
Proceeds from sale of capital assets	(163,500)
Gain on sale of capital assets	166,711
Net change in accrued interest payable	26,397
Property tax revenue and other revenues in the statement of activities that do not provide current financial resources and, therefore, are deferred in the fund statements	(1,336,945)
Proceeds from long-term debt that provides current financial resources and are reported as other financing sources in the fund statements.	(2,191,577)
Debt service payments use current financial resources and are reported in the governmental fund statements but are a reduction in a liability on the government-wide statements.	4,119,513

Adjustments to other long-term obligations that do not require current financial resources and therefore, are not reported as expenditures in the governmental fund statements:

Accrued vacation	(239,021)
Estimated claims incurred but not reported	513,170
Unfunded pension obligation	(112,686)
Change in net assets of governmental activities (Exhibit B)	<u>\$ 1,185,685</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ASHEVILLE**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**Exhibit F**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget-
REVENUES			Amounts	Positive
Taxes:				(Negative)
Ad valorem taxes	\$ 32,850,720	\$ 32,850,720	\$ 34,616,551	\$ 1,765,831
Local option sales tax	13,467,527	13,467,527	13,571,063	103,536
Payments in lieu of taxes	1,244,275	1,244,275	1,255,149	10,874
Other taxes	225,000	225,000	270,998	45,998
Intergovernmental	9,379,679	9,421,997	9,707,050	285,053
Licenses and Permits	4,492,639	4,492,639	5,073,963	581,324
Charges for services	6,523,099	6,568,935	6,933,160	364,225
Investment earnings	362,000	362,000	180,513	(181,487)
Miscellaneous	150,920	152,300	414,589	262,289
Total revenues	68,695,859	68,785,393	72,023,036	3,237,643
EXPENDITURES				
Current:				
General government	11,797,378	12,372,491	8,636,928	3,735,563
Public safety	30,268,422	29,947,245	29,065,819	881,426
Public works	10,375,973	10,534,679	10,282,036	252,643
Human services	81,500	99,375	98,125	1,250
Planning	1,376,378	1,386,025	1,362,393	23,632
Engineering	1,847,769	1,982,544	1,673,238	309,306
Culture and recreation	5,698,132	5,729,314	5,620,813	108,501
Debt service:				
Principal	4,029,489	4,033,199	3,969,513	63,686
Interest and fees	1,687,192	1,557,408	1,367,134	190,274
Total expenditures	67,162,233	67,642,280	62,075,999	5,566,281
Excess of revenues over expenditures	1,533,626	1,143,113	9,947,037	8,803,924
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	315,000	1,178,079	-	(1,178,079)
Transfers out	(3,297,626)	(3,747,913)	(3,772,110)	(24,197)
Proceeds from long-term obligations	1,415,000	1,392,721	741,577	(651,144)
Sale of capital assets	34,000	34,000	163,500	129,500
Total other financing sources and (uses)	(1,533,626)	(1,143,113)	(2,867,033)	(1,723,920)
Net change in fund balance	\$ -	\$ -	7,080,004	\$ 7,080,004
Fund balance - beginning (as restated)			25,401,674	
Fund balance - ending			\$ 32,481,678	

The notes to the financial statements are an integral part of this statement.



**CITY OF ASHEVILLE**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2004**

**Exhibit G**

<b>ASSETS</b>	<b>Water Resources</b>	<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>
<b>Current assets:</b>			
Cash and investments	\$ 12,444,734	\$ 513,252	\$ 12,957,986
Accounts receivable (net of allowance for uncollectables of \$142,633)	4,811,765	41,746	4,853,511
Intergovernmental receivable	-	1,461,956	1,461,956
Inventories	-	61,016	61,016
Prepays	-	113,048	113,048
Total current assets	<u>17,256,499</u>	<u>2,191,018</u>	<u>19,447,517</u>
<b>Noncurrent assets:</b>			
Restricted cash and investments	<u>11,486,118</u>	<u>93,645</u>	<u>11,579,763</u>
<b>Capital assets</b>			
Land	4,271,913	4,886,325	9,158,238
Buildings and improvements	57,646,713	20,326,210	77,972,923
Machinery and equipment	6,077,029	6,007,726	12,084,755
Water system/sewer system	87,114,575	-	87,114,575
Construction in progress	3,464,820	842,059	4,306,879
Total capital assets	<u>158,575,050</u>	<u>32,062,320</u>	<u>190,637,370</u>
Accumulated depreciation	<u>(41,742,441)</u>	<u>(16,391,601)</u>	<u>(58,134,042)</u>
Net capital assets	<u>116,832,609</u>	<u>15,670,719</u>	<u>132,503,328</u>
Unamortized debt issuance cost	<u>1,107,637</u>	<u>43,267</u>	<u>1,150,904</u>
Total noncurrent assets	<u>129,426,364</u>	<u>15,807,631</u>	<u>145,233,995</u>
Total assets	<u>146,682,863</u>	<u>17,998,649</u>	<u>164,681,512</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	659,766	307,602	967,368
Customer deposits	349,761	500	350,261
Accrued interest payable	1,005,244	66,079	1,071,323
Other accrued expenses	78,572	31,539	110,111
Due to other governmental units	2,729,951	-	2,729,951
Due to other funds	-	1,349,782	1,349,782
Bonds payable	2,824,675	-	2,824,675
Installment purchase contracts	-	503,018	503,018
Compensated absences	262,100	64,547	326,647
Unearned revenues	-	265,776	265,776
Total current liabilities	<u>7,910,069</u>	<u>2,588,843</u>	<u>10,498,912</u>
<b>Noncurrent liabilities:</b>			
Bonds payable	52,479,113	-	52,479,113
Installment purchase contracts	-	1,610,002	1,610,002
Unamortized bond premiums	25,683	-	25,683
Total noncurrent liabilities	<u>52,504,796</u>	<u>1,610,002</u>	<u>54,114,798</u>
Total liabilities	<u>60,414,865</u>	<u>4,198,845</u>	<u>64,613,710</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	61,528,821	13,557,699	75,086,520
Unrestricted	24,739,177	242,105	24,981,282
Total net assets	<u>\$ 86,267,998</u>	<u>\$ 13,799,804</u>	<u>\$ 100,067,802</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ASHEVILLE**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

**Exhibit H**

	<u>Water Resources</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 22,632,039	\$ 3,456,150	\$ 26,088,189
Rents	8,790	747,194	755,984
Concessions	-	807,438	807,438
Miscellaneous revenues	153,706	561,879	715,585
Total operating revenues	<u>22,794,535</u>	<u>5,572,661</u>	<u>28,367,196</u>
<b>OPERATING EXPENSES</b>			
Cost of merchandise sold	-	237,125	237,125
Administration	13,876,111	7,663,743	21,539,854
Depreciation	3,662,517	833,641	4,496,158
Total operating expenses	<u>17,538,628</u>	<u>8,734,509</u>	<u>26,273,137</u>
Operating income (loss)	<u>5,255,907</u>	<u>(3,161,848)</u>	<u>2,094,059</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Operating grants	-	1,883,705	1,883,705
Interest earned	115,296	19,130	134,426
Interest expense	(3,085,313)	(178,544)	(3,263,857)
Gain on sale of capital assets	43,804	701	44,505
Total nonoperating revenues (expenses)	<u>(2,926,213)</u>	<u>1,724,992</u>	<u>(1,201,221)</u>
Income before transfers and capital contributions	2,329,694	(1,436,856)	892,838
Transfers in/out:			
Transfers from General Fund	-	1,897,878	1,897,878
Transfers to other funds	-	(14,437)	(14,437)
Capital contributions	2,076,882	-	2,076,882
Changes in net assets	4,406,576	446,585	4,853,161
Total net assets - beginning (as restated)	81,861,422	13,353,219	95,214,641
Total net assets - ending	<u>\$ 86,267,998</u>	<u>\$ 13,799,804</u>	<u>\$ 100,067,802</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF ASHEVILLE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004**

**Exhibit I**

	<u>Water Resources</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 22,809,218	\$ 5,574,464	\$ 28,383,682
Cash paid for goods and services	(8,343,051)	(6,066,264)	(14,409,315)
Cash paid to employees	(4,871,787)	(1,725,279)	(6,597,066)
Net cash provided by (used for) operating activities	<u>9,594,380</u>	<u>(2,217,079)</u>	<u>7,377,301</u>
<b>Cash flows from non-capital financing activities:</b>			
Operating grants received	-	1,489,996	1,489,996
Operating transfers received from other funds	-	1,883,441	1,883,441
Operating advances received from other funds	-	142,947	142,947
Net cash provided by non-capital financing activities	<u>-</u>	<u>3,516,384</u>	<u>3,516,384</u>
<b>Cash flows from capital and related financing activities:</b>			
Receipts from capital grants or contributions	2,076,882	-	2,076,882
Acquisition and construction of capital assets	(3,674,522)	(755,367)	(4,429,889)
Previously capitalized assets reclassified to noncapital expenses	-	384,967	384,967
Principal paid on debt	(2,782,940)	(503,585)	(3,286,525)
Interest paid on debt	(3,040,361)	(190,554)	(3,230,915)
Proceeds from sale of capital assets	<u>43,804</u>	<u>701</u>	<u>44,505</u>
Net cash used for capital and related financing activities	<u>(7,377,137)</u>	<u>(1,063,838)</u>	<u>(8,440,975)</u>
<b>Cash flows from investing activities:</b>			
Proceeds from sale of investments, net	444,705	-	444,705
Interest earned	115,296	19,130	134,426
Net cash provided by investing activities	<u>560,001</u>	<u>19,130</u>	<u>579,131</u>
Net increase in cash and cash equivalents	2,777,244	254,597	3,031,841
<b>Cash and cash equivalents:</b>			
Beginning of year, July 1	18,478,824	352,300	18,831,124
End of year, June 30	<u>\$ 21,256,068</u>	<u>\$ 606,897</u>	<u>\$ 21,862,965</u>

(Continued)

	<u>Water Resources</u>	<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>			
Operating income (loss)	<u>\$ 5,255,907</u>	<u>\$ (3,161,848)</u>	<u>\$ 2,094,059</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>			
Depreciation	3,662,517	833,641	4,496,158
Amortization of bond issuance costs	128,396	11,800	140,196
Accretion of bond premium	(3,210)	-	(3,210)
<b>Changes in assets and liabilities:</b>			
(Increase) decrease in accounts receivable	(33,501)	38,723	5,222
(Increase) in inventories	-	(2,776)	(2,776)
Decrease in prepaids	-	68,336	68,336
(Increase) decrease in other accrued expenses	(7,659)	31,539	23,880
Increase (decrease) in accounts payable	337,275	(2,736)	334,539
(Decrease) in unearned revenues	-	(36,920)	(36,920)
Increase in accrued compensated absences	25,199	3,162	28,361
Increase in due to other governmental units	181,273	-	181,273
Increase in customer deposits	48,183	-	48,183
Total adjustments	<u>4,338,473</u>	<u>944,769</u>	<u>5,283,242</u>
Net cash provided by (used for) operating activities	<u>\$ 9,594,380</u>	<u>\$ (2,217,079)</u>	<u>\$ 7,377,301</u>
<b>Reconciliation of cash and cash equivalents:</b>			
Cash and investments:			
Unrestricted	\$ 12,444,734	\$ 513,252	\$ 12,957,986
Restricted	11,486,118	93,645	11,579,763
Total cash and investments	23,930,852	606,897	24,537,749
Less: Investments	2,674,784	-	2,674,784
Cash and cash equivalents	<u>\$ 21,256,068</u>	<u>\$ 606,897</u>	<u>\$ 21,862,965</u>
			(Concluded)

The accompanying notes are an integral part of the financial statements.

**CITY OF ASHEVILLE  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUND  
JUNE 30, 2004**

**Exhibit J**

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 138,420
Total assets	<u>\$ 138,420</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 138,420
Total liabilities	<u>\$ 138,420</u>

The notes in the financial statements are an integral part of this statement.